

Marin County Economic Forecast

Largely a bedroom community to the San Francisco County labor market, Marin County still contributes just over 100,000 jobs to the Bay Area metropolitan workforce. With a population of 249,100, wage and salary employment embodies 41 percent of the population. In neighboring San Francisco and San Mateo Counties, the employment to population ratios are 68 and 49 percent respectively.

The largest employment sector in Marin County is services, followed by retail trade. There is very little industry in the county.

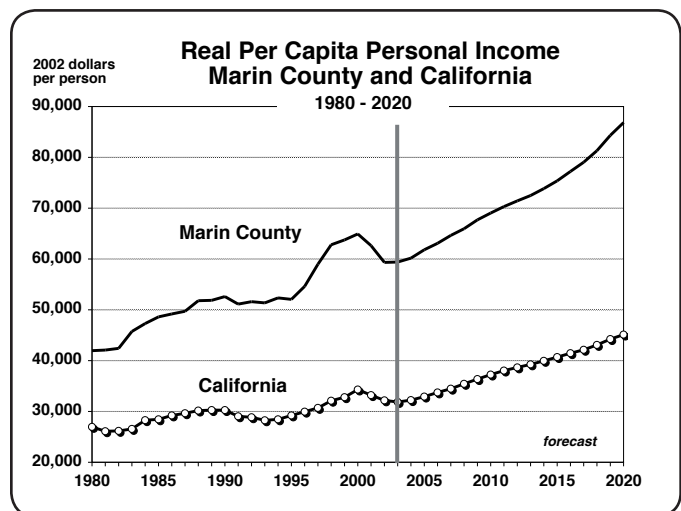
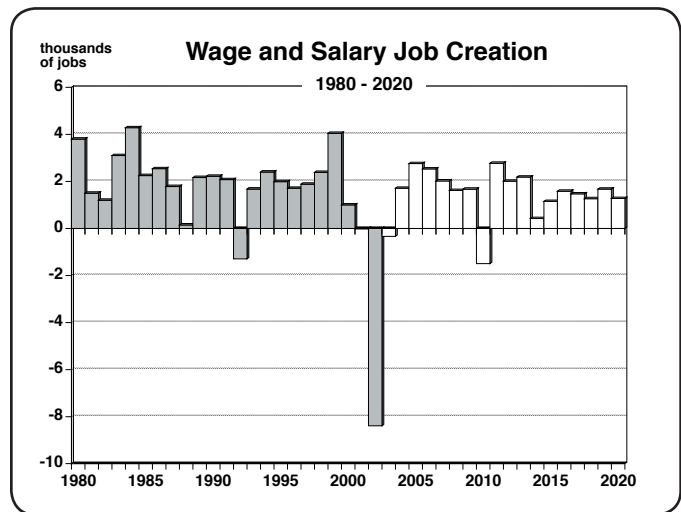
In 2002, employment declined 7.5 percent, and the unemployment rate jumped to 5.7 percent (from 1.9 percent in 2000). Service sector employment plunged 10 percent, jobs in manufacturing fell 11 percent, and transportation and utilities lost 8 percent of the workforce.

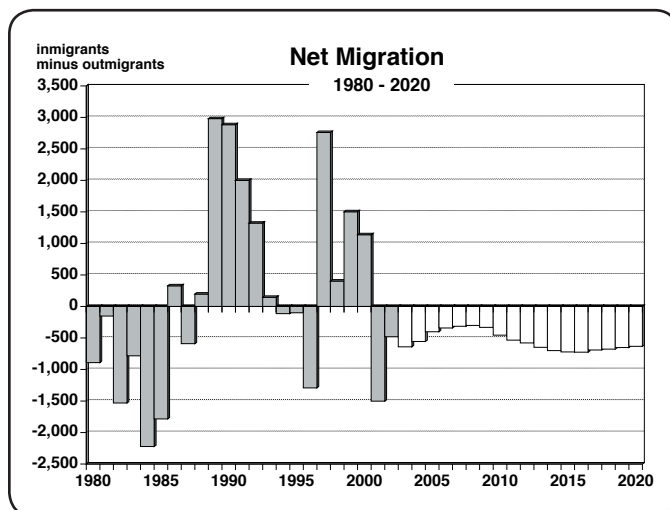
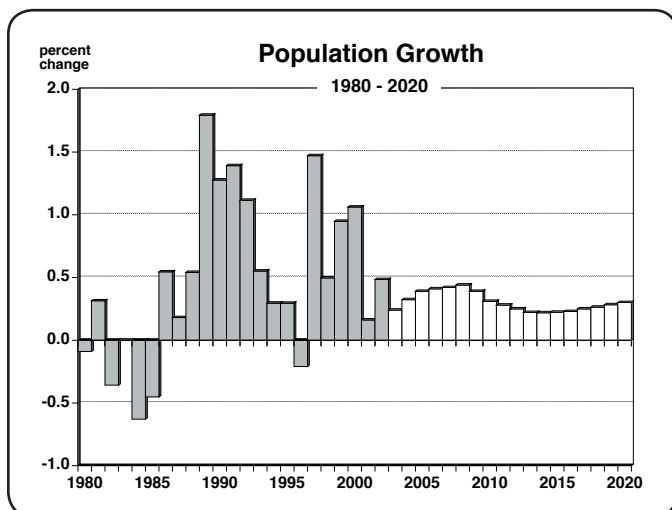
Marin County has one of the highest average per capita incomes in California (and the United States). In 2000, real income averaged \$64,926 per resident, the highest in California. It fell to \$59,327 in 2002. The relative affluence of Marin County is measured by household or personal income, and by the population to housing stock ratio. There are only 2.45 people per household in Marin County, compared to 2.8 persons in Contra Costa County, 2.67 persons in Sonoma County, or 2.98 in Santa Clara County.

There has been virtually no building in Marin County over the last few years. Limited building space and land supply, increased labor costs, and housing shortages will have significant effects on the economy of the future.

Forecast Highlights

- No job growth is forecast for 2003. In 2004 as the California economy gains momentum, more jobs will be created in the county, principally in the services and retail sectors. Between 2003 and 2008 job growth is forecast to average 2.0 percent per year. Average growth abates to 1.3 percent per year between 2010 and 2020.
- Employment in manufacturing continues to consolidate. The level of housing prices make growth in the region very tenuous for industrial jobs. Nearly all of the gains in employment occur in non-industrial sectors, and many of those jobs will be held by a commuting population.
- The unemployment rate averages 5.0 percent in 2004, and declines marginally in subsequent years.
- Population growth slows further over the next 5 years. The lack of housing and the unaffordability of housing in the region raise an obvious barrier to growth. Compound annual growth forecasted for the 2003 to 2008 period falls to 0.47 percent per year, from 0.63 percent between 1997 and 2002. Population growth averages 0.2 percent per year between 2010 and 2020.





Marin County Economic Forecast

1995-2002 History, 2003-2020 Forecast

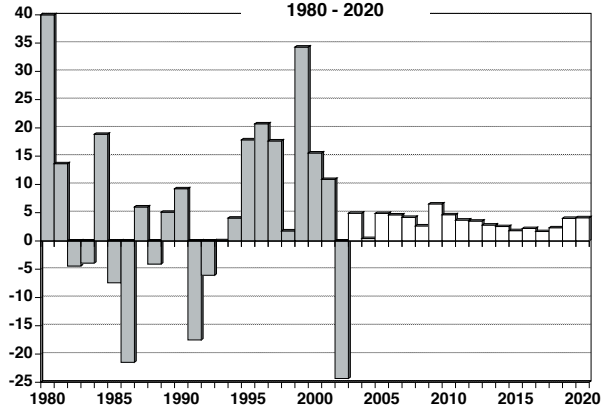
	July Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	238,400	-101	219,590	97.2	578	\$2.1	\$10.5	\$52,060	\$54.8	\$1.9
1996	237,900	-1,292	221,717	96.8	742	\$2.2	\$11.2	\$54,606	\$60.6	\$2.2
1997	241,400	2,761	212,258	96.9	598	\$2.4	\$12.5	\$58,981	\$60.6	\$2.6
1998	242,600	404	225,648	97.7	713	\$2.5	\$13.6	\$62,787	\$58.3	\$2.7
1999	244,900	1,503	228,114	98.2	736	\$2.7	\$14.2	\$63,765	\$54.6	\$3.6
2000	247,500	1,138	232,450	100.5	633	\$3.0	\$15.1	\$64,926	\$48.6	\$4.2
2001	247,900	656	235,679	101.0	375	\$2.9	\$15.1	\$62,642	\$50.9	\$4.6
2002	249,100	-480	226,555	101.5	435	\$2.8	\$14.8	\$59,327	\$47.5	\$3.5
2003	249,698	-641	224,988	101.8	491	\$2.7	\$15.2	\$59,414	\$48.7	\$3.7
2004	250,506	-556	223,869	102.4	507	\$2.9	\$15.8	\$60,162	\$50.1	\$3.7
2005	251,555	-401	222,833	102.9	581	\$3.1	\$16.7	\$61,819	\$51.4	\$3.9
2006	252,793	-341	222,643	103.6	605	\$3.2	\$17.5	\$63,088	\$52.8	\$4.1
2007	254,213	-314	223,157	104.3	620	\$3.3	\$18.5	\$64,636	\$54.1	\$4.2
2008	255,598	-300	223,454	104.9	621	\$3.4	\$19.4	\$65,958	\$55.5	\$4.3
2009	256,251	-332	223,626	105.6	612	\$3.5	\$20.4	\$67,699	\$56.9	\$4.6
2010	256,841	-455	223,426	106.3	582	\$3.7	\$21.4	\$69,039	\$58.4	\$4.8
2011	257,411	-534	223,277	107.0	579	\$3.8	\$22.4	\$70,321	\$60.0	\$5.0
2012	257,995	-578	223,156	107.6	575	\$4.0	\$23.4	\$71,440	\$61.7	\$5.2
2013	258,566	-648	223,097	108.2	547	\$4.1	\$24.4	\$72,498	\$63.5	\$5.3
2014	259,132	-700	223,231	108.8	543	\$4.3	\$25.5	\$73,855	\$65.2	\$5.5
2015	259,710	-721	223,757	109.5	538	\$4.6	\$26.7	\$75,391	\$66.9	\$5.6
2016	260,305	-725	225,090	110.1	553	\$4.8	\$28.1	\$77,227	\$68.7	\$5.7
2017	260,955	-691	226,949	110.7	554	\$5.0	\$29.6	\$79,036	\$70.7	\$5.8
2018	261,643	-676	228,983	111.3	552	\$5.2	\$31.3	\$81,320	\$72.6	\$5.9
2019	262,383	-652	231,216	111.9	553	\$5.5	\$33.4	\$84,329	\$74.5	\$6.1
2020	263,172	-633	233,379	112.5	555	\$5.8	\$35.2	\$86,844	\$76.4	\$6.4

- Real per capita incomes rise at an annual compound rate of 2.1 percent over the next 5 years as order is restored to the Bay Area labor markets. Real (inflation-adjusted) salaries in the county average \$46,400 in 2004. They are forecast to rise at an annual compound rate of 2.6 percent between 2003 and 2008.
- The median home selling price in Marin County was \$698,859 in 2002. Over the forecast horizon, the median price rises an average of 2.0 percent per year, adjusted for inflation. This is a sharp decline from the 8.5 percent average real appreciation per year between 1997 and 2002.

average annual
percent change

Real Industrial Production

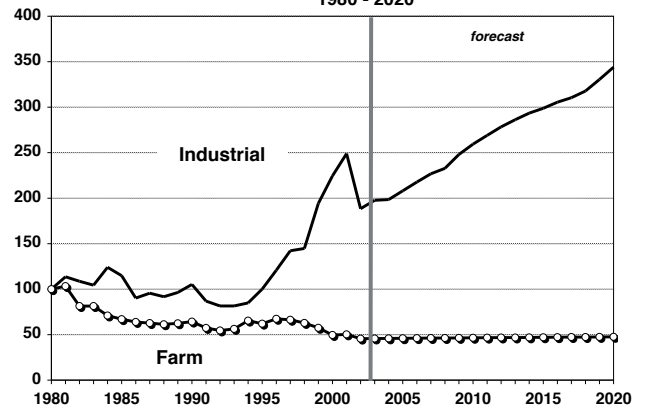
1980 - 2020



inflation-adjusted
index (1980=100)

Industrial and Farm Production Indices

1980 - 2020



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
100.7	0.725	4.6	4.7	2.6	28.0	9.2	37.3	13.6
102.5	0.508	5.0	5.0	2.8	27.6	9.4	38.3	13.8
104.3	0.508	5.4	5.1	3.3	27.6	9.6	38.9	14.0
106.7	0.450	6.1	5.0	3.5	28.0	9.5	39.9	14.2
110.8	0.475	7.0	4.8	3.2	28.5	9.3	42.8	14.7
111.8	0.508	7.9	4.5	2.0	27.8	9.2	44.4	15.5
111.7	0.300	9.1	3.6	3.0	28.8	8.7	43.2	15.0
103.4	0.291	6.6	3.2	2.8	28.0	8.3	38.8	15.4
103.0	0.252	6.9	3.0	2.9	28.3	8.1	38.4	15.2
104.7	0.227	6.8	2.9	2.9	28.6	8.1	40.0	15.2
107.5	0.210	7.0	2.8	3.0	28.9	8.3	42.1	15.1
110.0	0.199	7.2	2.7	3.0	29.2	8.5	44.1	15.1
112.0	0.190	7.3	2.5	3.1	29.4	8.6	45.8	15.1
113.6	0.185	7.5	2.6	3.0	29.6	8.6	47.0	15.1
115.3	0.180	7.9	2.5	3.0	29.9	8.6	48.1	15.1
113.8	0.177	8.1	2.5	3.0	30.1	8.5	49.2	15.1
116.6	0.175	8.2	2.4	3.0	30.4	8.4	50.4	15.1
118.6	0.173	8.4	2.4	3.0	30.7	8.3	51.3	15.1
120.8	0.171	8.5	2.4	3.0	30.9	8.2	52.1	15.0
121.2	0.170	8.6	2.3	3.0	31.1	8.1	52.9	15.0
122.4	0.169	8.7	2.4	3.0	31.4	8.0	53.8	15.0
123.9	0.168	8.8	2.6	3.0	31.6	8.0	54.8	15.0
125.4	0.167	9.0	2.6	3.0	31.9	8.0	55.9	15.0
126.7	0.166	9.2	2.3	3.0	32.1	7.9	57.0	15.0
128.4	0.166	9.4	2.4	3.0	32.4	7.9	58.1	15.0
129.6	0.165	9.7	2.2	3.0	32.6	7.9	59.1	15.1

